

OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT TRUST

Annual Report FY08

PRESENTED BY
THE OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT TRUST
IN COLLABORATION WITH
NUMEROUS STATE AND LOCAL PARTNERS

TOBACCO STOPS WITH **ME.**



ADMIT ONE

To join the movement to improve
the health of every Oklahoman.

StopsWithMe.com

STARRING **PERSUASIVE ARGUMENTS AGAINST TOBACCO** CO-STARRING A STATEWIDE MOVEMENT THAT'S CHANGING LIVES
FEATURING **RESEARCH, FACTS AND THE HONEST-TO-GOODNESS TRUTH ABOUT TOBACCO**
PRODUCED BY **THE NEED FOR A HEALTHIER OKLAHOMA**
DIRECTED BY **THE HEALTHY, HARD-WORKING PEOPLE OF OKLAHOMA**



Oklahoma
Tobacco Settlement
Endowment Trust

Improving the Health of Every Oklahoman

CONTENTS

COLLECTIVE EFFORTS **2**

4 WHAT GUIDES US

SETTING PRIORITIES **9**

11 PROGRAMS WE FUND

LOOKING AHEAD **21**

23 TRUST GROWTH

MSA PAYMENTS **25**

26 BOARD OF DIRECTORS

BOARD OF INVESTORS **27**

28 GRANTS · FY08

TSET STAFF **30**

COLLECTIVE EFFORTS.

our beginnings & progress

It is hard to believe that ten years have passed since Master Tobacco Settlement Agreement (MSA) was signed, and I'd like to share a few reflections on our beginnings and progress.

While most states have failed to keep the promise of the MSA, Oklahoma voters wisely and overwhelmingly approved a constitutional amendment in 2000, to create the Tobacco Settlement Endowment Trust and ensure a growing source of funding dedicated to improving the health of Oklahomans for generations to come. The endowment fund is managed through the outstanding efforts of the board of investors. Each year when Oklahoma receives the MSA payments, the majority of funds are placed in the endowment for investment and only the interest and dividend earnings may be spent on programs to improve the health of Oklahomans.

During the endowment's early years, the board conducted an extensive strategic planning process which included consultation from a variety of public and private funders from across the nation. Each one recommended that we maintain a focus on making a significant impact in one or a few areas to improve our state's health. Although there are many important and pressing needs in our state, the board took the advice to heart and voted to focus first on preventing and reducing tobacco use, our state's leading cause of preventable death. This decision made Oklahoma one of the few states to use tobacco settlement dollars for their intended purpose; to reduce tobacco use and tobacco-caused deaths.

Last year the board of directors updated our strategic plan to define program priorities for the future. The process included a review of Oklahoma's health status indicators, research on effective programs and strategies, expert recommendations, and a survey of key stakeholders representing Oklahomans from across the state. Stakeholders, including elected officials, community leaders, state agency directors, voluntary organizations, health advocates, and private foundations, overwhelmingly agreed that the board was on track with its mission to improve the health of every Oklahoman by reducing Oklahoma's leading causes of death.

When faced with the facts that Oklahoma has more cardiovascular disease deaths than any state in the nation, cancer is our second leading cause of death, affecting one out of three Oklahomans, and tobacco use, physical inactivity, and poor nutrition are primary causes of each, an obvious strategic focus emerged. As a result, our strategic plan was updated which reaffirmed the board's initial focus on tobacco control, with the addition of funding for programs designed to increase physical activity, improve nutrition, and address emerging opportunities to improve the health of Oklahomans.

Because it takes time to generate a meaningful level of earnings from an endowment's investments, it is important for us to remember that we began our program funding in 2003 with only \$500,000. Over the years Oklahoma has moved up in rank from 41st to 13th in the nation in funding for tobacco prevention. As a result of the increases in earnings, the board was able to fund each of the essential components of a statewide comprehensive tobacco control program for the first time in FY 2008 and we are well on our way to achieving the outcomes originally envisioned by our state's leaders and the people of Oklahoma.

It has been my pleasure to serve as the chair of the board of directors for the past two years. Oklahomans should be very proud of this tremendous state resource. The board is an engaged, passionate board committed to effectively utilizing the endowment earnings. With this same passion the staff, grantees, and individuals and organizations from across the state are dedicated to the mission and to implementing evidence-based programs, each of which undergo a rigorous evaluation.

The fund and the agency have also received a clean audit each year and continuously work to maintain a high standard of transparency and collaboration.

We invite you to join our collective efforts — and hope you'll invite us to join in yours — as we work together to create a healthy and prosperous Oklahoma for everyone.



Kenneth D. Rowe, Chair, Board of Directors



Tracey Strader, Executive Director

WHAT GUIDES US.

vision, mission, values & behaviors

VISION

Improving the Health of Every Oklahoman

The Oklahoma Tobacco Settlement Endowment Trust (TSET) was created through a voter-approved constitutional amendment in November 2000, as a result of the 1998 Master Settlement Agreement between 46 states and the tobacco industry. Oklahoma's Attorney General, Drew Edmondson, was one of the eight attorneys general to serve on the negotiating team of the Master Settlement Agreement.

Oklahoma is the only state in the nation to have constitutionally protected the majority of the settlement funds in an endowment from which only the interest and dividend earnings may be spent on programs to improve the health of Oklahomans. The endowment ensures a growing funding source dedicated to these purposes for generations to come.

MISSION

To improve the health and quality of life of all Oklahomans through accountable programs and services that address the hazards of tobacco use and other health issues.

As stated in the Oklahoma Constitution, the endowment's funds are invested by a board of investors and the earnings are expended by an independent board of directors to support programs and services in the following areas:

- Clinical and basic research and treatment efforts in Oklahoma for the purpose of enhancing efforts to prevent and combat cancer and other tobacco-related diseases;
- Cost-effective tobacco prevention and cessation programs;
- Programs designed to maintain or improve the health of Oklahomans or to enhance the provision of health care services to Oklahomans, with particular emphasis on such programs for children;



At the annual meeting, TSET grantees and statewide tobacco control partners stand together in support of Oklahoma's "Tobacco Stops With Me" message.

More than 150 volunteers from the Tobacco Free Cleveland County Coalition and Students Working Against Tobacco teamed up to celebrate Kick Butts Day by cleaning up the tobacco trash from Reeves Park in Norman. Signs were placed throughout the park to educate about tobacco industry marketing tactics and manipulative practices.



- Programs and services for the benefit of the children of Oklahoma, with particular emphasis on common and higher education, before- and after-school programs, substance abuse prevention and treatment programs and services designed to improve the health and quality of life of children; and
- Programs designed to enhance the health and well-being of senior adults.

To date, the board of directors has dedicated all of the available earnings to programs to prevent and reduce tobacco use and addiction. This strategy addresses each of the areas specified in the Constitution and provides the greatest opportunity for impact with the limited resources available in the early years of the endowment. As earnings grow over time, the board of directors will continue to expand its investment in tobacco control programs while beginning to fund additional programs that will improve the health of Oklahomans.

VALUES & BEHAVIORS

To encourage programs and initiatives that are based on the best research available, follow practices with proven results, and provide the best opportunity for success.

Oklahoma's tobacco control program utilizes proven strategies that combine community-based, cessation, and health communications programs to reduce pro-tobacco influences, prevent and reduce tobacco use and addiction, and reduce exposure to secondhand smoke.

There is an overwhelming body of scientific studies and best practices which demonstrate the effectiveness and cost-effectiveness of a comprehensive tobacco control program. While the federal government and many private foundations primarily fund innovative grants to identify effective programs, TSET is uniquely positioned to bring these proven programs to scale in Oklahoma.

In addition, the board of directors has continued funding for the Oklahoma Tobacco Research Center (OTRC) within the University of Oklahoma Cancer Institute. The OTRC will help to ensure that programs funded to fight tobacco addiction in Oklahoma remain among the most effective in the country and bring additional grant funding to bear on tobacco use in Oklahoma. OTRC activities are outcomes-based, transdisciplinary and focused on evidence-based practices.

To work cooperatively with other public and private organizations and funders to support joint efforts that will use funds efficiently, avoid duplication, minimize administrative expense, and provide the best opportunity for sustained activity.

Recognizing the tremendous expertise and resources that exist in our state, TSET routinely seeks opportunities to work collaboratively with a variety of statewide coalitions and state agencies to promote effective public and private policies that will change the culture of tobacco use and improve the health of Oklahomans. Some of our partners include the Oklahoma Alliance on Health or Tobacco, Oklahoma Turning Point, Fit Kids Coalition, the Strong and Healthy Oklahoma

Initiative, Oklahoma Comprehensive Cancer Coalition, as well as the Oklahoma State Department of Health (OSDH), Oklahoma Health Care Authority (OHCA), Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS), Oklahoma State and Education Employees Group Insurance Board (OSEEGIB), Employees Benefits Council (EBC), and the Oklahoma Insurance Department (OID).

TSET has received recognition from the US Centers for Disease Control and Prevention and many other states for its unique partnership with the Oklahoma State Department of Health, Tobacco Use Prevention Service (OSDH). Through this partnership the OSDH provides and coordinates training and technical assistance to TSET-funded tobacco control programs, and assures that TSET-funded programs work in concert with other tobacco control initiatives to help fulfill the Oklahoma State Plan for Tobacco Use Prevention and Cessation. This arrangement allows TSET to make a significant contribution while minimizing administrative expense, avoiding duplication and leveraging federal, state, and private funds.

A significant outcome occurred in FY08 when TSET and OSDH worked with OSEEGIB on a cost benefit analysis which ultimately resulted in OSEEGIB's decision to offer expanded tobacco cessation products coverage as part of an effort to promote a healthier state employee workforce and reduce costs. The expansion of the benefit assured that members could access tobacco cessation products twice per year without prior authorization. OSEEGIB promoted the expanded benefit through multiple media releases, a notice in the health

insurance enrollment benefit packet and the inclusion of a postcard into the enrollment packet for a "second exposure." OSDH staff also trained the insurance benefit and wellness coordinators of every state agency served by OSEEGIB on the new benefit. OSEEGIB is projecting significant cost savings from this initiative.

Operationally, TSET contracts with a variety of state agencies to provide many of the agency's essential services. For example, information technology and certain financial management and procurement functions are provided by the Office of State Finance, legal services are provided by the Office of the Attorney General, consultation on program grants and contracts are provided by the Department of Central Services, and payroll and personnel services are provided by the Office of Personnel Management. Through this "virtual infrastructure," TSET is able to minimize administrative expense and maintain a small core staff to carry out the grants management and administrative functions of the agency.

To make funding decisions based on the priorities of the Board and the merits of the proposal, independent of political influence and conflict of interest.

By design, the constitutional amendment that created TSET established an independent, bipartisan board of directors representing each of Oklahoma's five Congressional districts. Each of the seven board members are appointed by different elected officials: Governor, Treasurer, Attorney General, State Auditor and Inspector, State Superintendent of Public Instruction, House of Representatives, and State Senate.



"For our children and future generations, the City of Noble is proud to be Tobacco Free! This is to ensure changes in attitudes towards tobacco use in our community," said Noble Mayor Gary Hayes. The residents of Noble are committed to having a community that does not allow for tobacco use in public places and schools. The community has always put the lives and well-being of their children first and foremost, which paved the path for the city council to ban tobacco use in all public areas, an extension of the existing "No Tobacco Use 24/7" in their schools.

Left to Right: Gary Hayes, Mayor; Gail Hilty, Cleveland County Turning Point Chair of SWAT Youth; Josie Parker and Gracie Jonas, SWAT members; Terry Ford, Campus Police Officer; Bob Wade, Noble City Manager; Greg Kasbaum, Noble Superintendent of Schools

TSET recognition of the Lawton-Ft. Sill SWAT Team named national Youth Advocates of the Year by the Campaign for Tobacco-Free Kids and state winners of the Blue Cross and Blue Shield Champions of Health award.

Back Row (left to right): Ken Rowe, outgoing TSET Board Chair; Shawn Bethel, MacArthur H.S.; Jessie Williams, MacArthur H.S.; Tracey Strader, TSET Executive Director; Front Row (left to right): Tomara Fizzell, MacArthur H.S.; Sarah Grimes, MacArthur H.S.; Alexsas Rhodes, Lawton H.S.; Chantal Rollerson, Eisenhower H.S.



The board of directors sets the agency's strategic direction and oversees all of TSET's programs, evaluations, and agency operations functions.

The majority of TSET-funded grants or contracts are the result of a competitive process in which proposals are reviewed by an external review committee made up of content experts outside the State of Oklahoma. This process helps assure an impartial review and avoid conflicts of interest. Other program grants and contracts may be awarded through intergovernmental or sole source contracts as allowed by state law, depending on the unique needs to be addressed.

To plan and encourage community-based comprehensive services for all areas of Oklahoma, including urban and rural communities.

As recommended by a national panel of tobacco control experts, between 30 percent and 40 percent of TSET's program funding is allocated to community-based services through the *Communities of Excellence in Tobacco Control* and the *Addressing Tobacco in Specific Populations* grant programs.

Each of TSET's community grant programs work with coalitions that have a history of success in addressing the health concerns of their communities. These grant programs could not be successful without the expertise, resources, and passion of numerous organizations, professionals, and volunteers throughout the state.

Over the past five years, Communities of Excellence grants have been awarded to 23 urban and rural coalitions providing comprehensive tobacco control programs in 37 counties and three tribal nations. Four additional grantees provide

tobacco control programs for specific populations including college students, rural youth at risk for smokeless tobacco use, an urban population in low-income housing, and the deaf and hard of hearing statewide. These and other community-based initiatives will be expanded as the earnings from the endowment's investments grow.

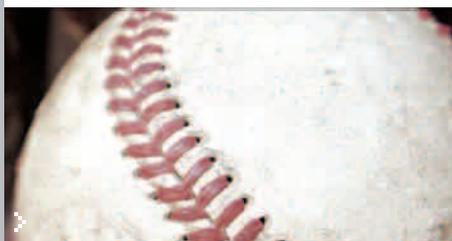
To encourage grantees to match grant monies awarded with monetary commitments and in-kind matches.

All community-based grantees are required to provide a match of at least 10 percent to their grant program each year. Organizations funded to provide training and technical assistance, evaluation, and research also provide matching or leveraged funds to the program.

To require measurable outcomes, appropriate evaluation, and annual evaluation reporting of all funded programs.

Evaluation is an essential and integral part of all TSET-funded initiatives. TSET contracts with the University of Oklahoma, College of Public Health (OUCOPH) to provide an independent or external evaluation of the agency's tobacco control programs. The OUCOPH subcontracts with other universities and organizations to assist with certain evaluation activities.

All community-based grantees engage in a planning phase in which they conduct community assessments and develop strategic plans that guide their implementation activities in subsequent years. Strategic plans focus on specific "indicators" that will lead to measurable outcomes. Other program components set measurable objectives or benchmarks and are evaluated accordingly.



One day my son asked if it's true - that secondhand
smoke kills people. I couldn't lie to him.

Now no one - including me - is allowed to smoke in my home.

TOBACCO STOPS WITH ME.

 STOPSWITHME.COM

SETTING PRIORITIES.

strategic planning for programs

The US Centers for Disease Control and Prevention (CDC) recommends that Oklahoma should spend a minimum of \$32 million per year on a comprehensive, statewide tobacco control program. Combining educational, clinical, regulatory, economic, and social strategies, these comprehensive programs encompass coordinated efforts to establish smokefree policies and social norms, to promote and assist tobacco users to quit, and to prevent initiation of tobacco use.

Recent CDC studies have found that among individual states, declines in adult smoking prevalence were directly related to increases in state per person investments in tobacco control programs; and that sustained, well-funded programs become increasingly effective over time.

Priority is given to evidence-based approaches that will impact whole populations. An emphasis on systems change through public and organizational policy helps to assure that change is institutionalized and sustained.

TSET's investment in tobacco control programs has expanded from \$500,000 in FY03 to over \$12 million in FY08. As a result, Oklahoma's national ranking in spending on tobacco control programs has improved from 41st in 2003 to 17th in 2008. In addition, early indications of progress resulting from effective policies and programs offer hope that Oklahoma's high prevalence rates of adult and youth tobacco use will show additional declines in the near future.



*I recently learned there is no safe level of secondhand smoke. It causes asthma, ear infections, even SIDS.
Now I don't allow anyone - including me -
to smoke in my home.*

TOBACCO STOPS WITH ME.

 STOPSWITHME.COM

PROGRAMS WE FUND.

comprehensive tobacco control

Through FY08, the board of directors has dedicated all of the Endowment's available earnings to help establish a statewide, comprehensive tobacco control program, as recommended by the CDC.

The Oklahoma Tobacco Helpline offers tobacco cessation services to all Oklahomans with a desire to quit smoking or using other tobacco products.

Community based programs include the Communities of Excellence in Tobacco Control and Addressing Tobacco in Specific Populations programs.

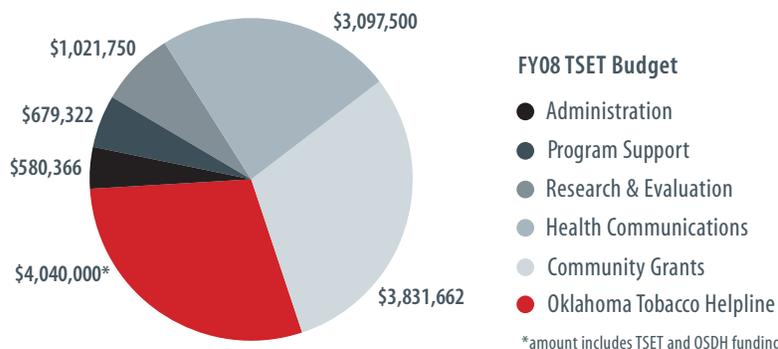
Community programs are comprehensive in scope and require local coalition and community partner support to reach broad populations. Community programs are supported with intensive training and technical assistance designed to build capacity,

assure coordination between state and local initiatives, and assist grantees in their efforts to make substantial progress toward objectives.

Health Communications, utilizing social marketing tactics, is used to increase awareness of the societal impacts and the dangers of tobacco use and secondhand smoke through the Tobacco Stops With Me campaign, counter the tobacco industry's aggressive marketing tactics, promote use of the Oklahoma Tobacco Helpline, and stimulate support for state and local policies and programs.

Research identifies, examines and disseminates best practices in tobacco control and translates research into practice for projects in Oklahoma.

Each program component is evaluated to measure progress, identify areas for improvement, and aid in program funding decisions.



OKLAHOMA TOBACCO HELPLINE

The *Oklahoma Tobacco Helpline* at 1-800-QUIT-NOW is a telephone based tobacco cessation counseling service, provided at no charge to Oklahomans with a desire to quit smoking or other tobacco use. Participants engage in a series of counseling calls with professional “Quit Coaches” throughout their quitting process.

Proactive telephone-based cessation counseling services have shown strong evidence of effectiveness in reaching large numbers of tobacco users to help them successfully quit tobacco. Quitlines reduce the barriers found in traditional programs as they require no transportation, or child care. The services are available at the participant’s convenience and tailored to their individual needs.

In FY05, TSET began leveraging additional funding for the *Helpline* from tobacco tax dollars made available through the Oklahoma State Department of Health.

The *Helpline* offers an eight-week course of free nicotine patches or gum to the uninsured and Medicare participants enrolled in the *Helpline* program, and offers insured Oklahomans a two-week “starter kit” of nicotine replacement therapy (NRT). Approximately 62 percent of Helpline registrants received NRT in FY08.

More than 24,000 Oklahomans registered for *Helpline* services in FY08. Sixty percent of tobacco users

who registered for services reside in the 37 counties covered by TSET-funded *Communities of Excellence* programs.

During FY08, Behavioral Risk Factor Surveillance System (BRFSS) data collected by the Oklahoma State Department of Health on Oklahoma’s general population showed that 62 percent of current smokers were aware of the Helpline. This was a nearly 10 percent increase compared to FY07 awareness level of approximately 52 percent.

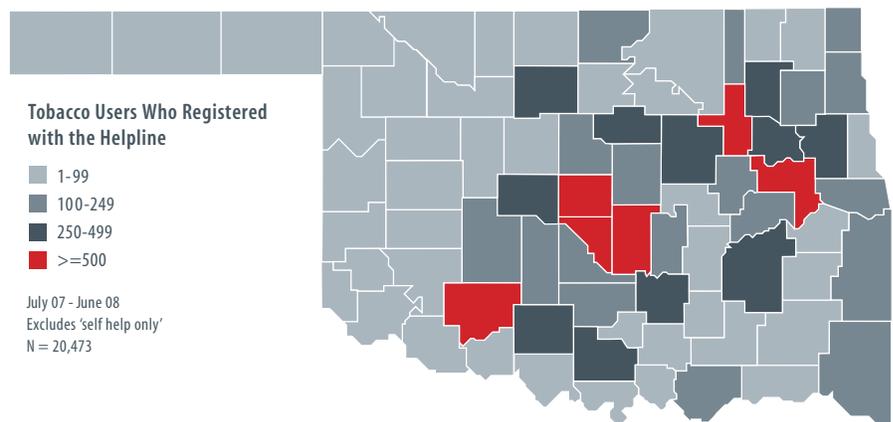
Follow-up evaluations with multiple-call participants at 7 months indicated that nearly 36 percent were abstinent from tobacco. This rate far exceeds the quit rate of 5 percent for those who go “cold turkey.”

Satisfaction with Helpline services remains high. Those receiving coaching plus NRT from the Helpline report the highest satisfaction levels at 90 percent.

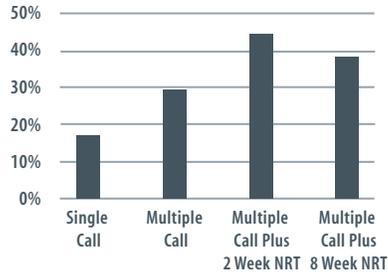


As is typical with most tobacco quitlines, nearly two-thirds of all callers to the Oklahoma Tobacco Helpline in FY08 were female. Callers to the Oklahoma Tobacco Helpline represented all race/ethnic groups at about the same proportion as represented in the community: Native American (10.5 percent); African American (7.6 percent) and Caucasian (77.4 percent). Only 3.2 percent of callers reported that they are of Hispanic ethnicity.

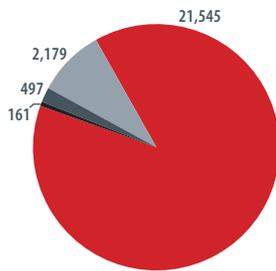
In FY08, the Oklahoma Tobacco Helpline served adult Oklahomans of all ages; however the majority of program participants were between ages 25 and 54. It is noteworthy that more than half of Helpline registrants (55 percent) have incomes of \$20,000 or less, and 59 percent have a high school degree or less.



Quit Rates at 7 Months - FY08

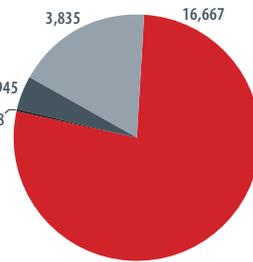


Single call participants or multiple call participants receiving two weeks of NRT are more likely to be insured and may use prescription or over-the-counter cessation aids not provided by the Helpline.



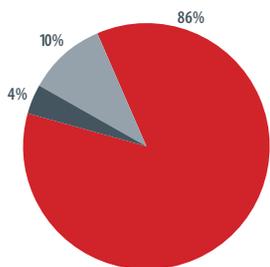
Total Helpline Registrants
24,382

- health care providers
- family and friends
- general public
- tobacco users



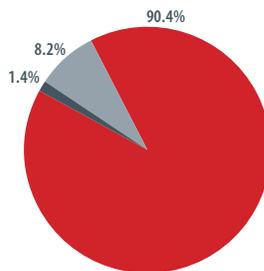
Tobacco User Registrants by Intervention Type

- self help only
- general questions
- single call intervention
- multiple call intervention



Satisfaction of Tobacco Users - Single & Multiple Call Combined

- not at all satisfied
- somewhat satisfied
- very or mostly satisfied



Satisfaction of Tobacco Users Receiving Multiple Call + 8 Week NRT

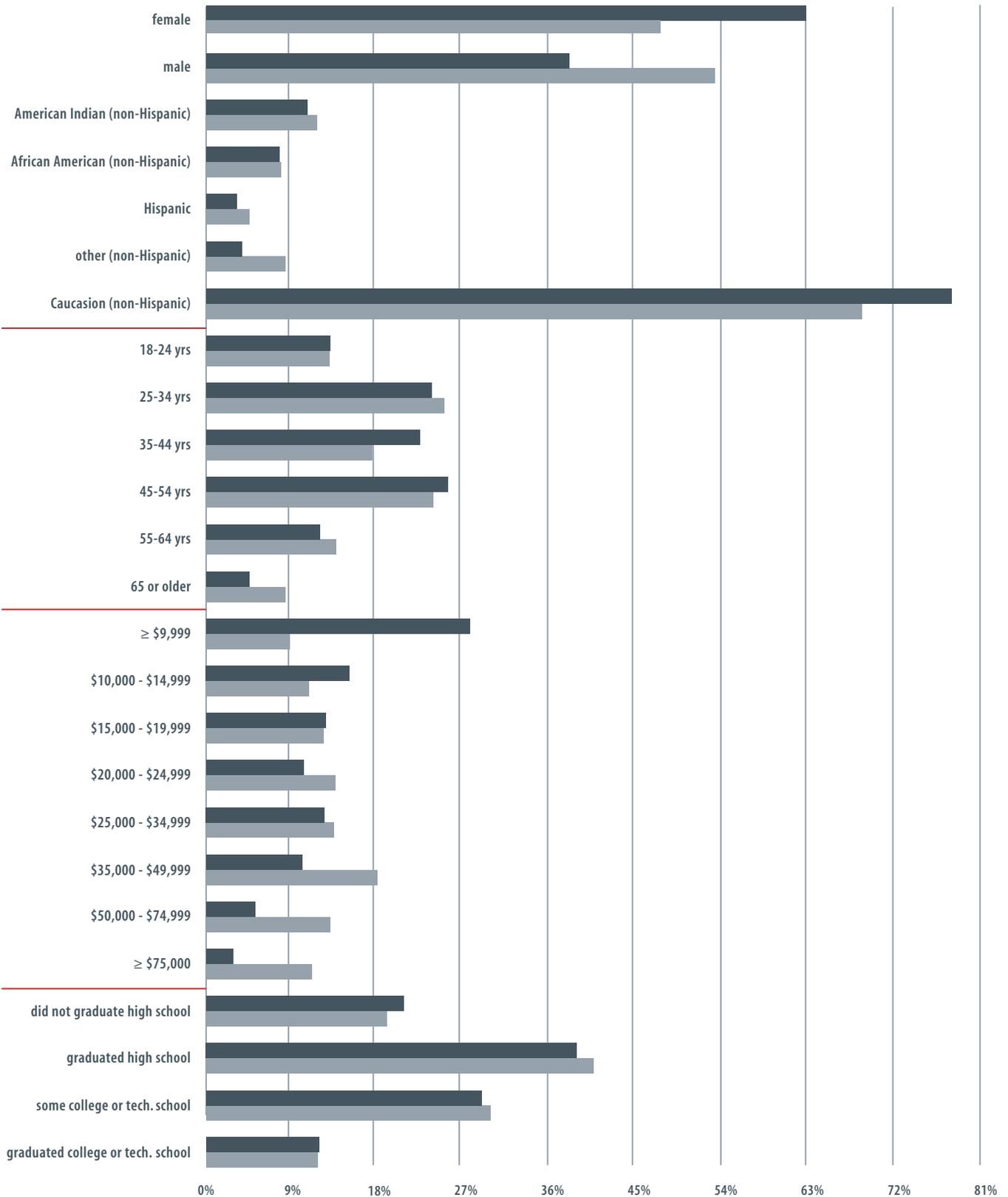
- not at all satisfied
- somewhat satisfied
- very or mostly satisfied

"I knew I wanted to quit and the Helpline coaching by phone worked perfectly because of my already busy schedule, my energetic toddler and being pregnant. The Helpline coach was very empathetic, listened to me and offered great advice on how to make it through the rough times while I was trying to quit. I know that this time I have quit for good and that I will be a healthier mom and a healthier role-model for my sons."

Ashley Adams - Shawnee, OK

Demographics of State Tobacco Users and Helpline Tobacco User Callers (FY08)

■ Helpline Tobacco User Callers
■ State Tobacco Users



ADDRESSING TOBACCO IN SPECIFIC POPULATIONS

Specific Populations grantees entered the second year of a five year grant process in FY08. These grantees serve populations at high risk for tobacco use and tobacco related diseases, including college students, the deaf and hard of hearing, and Oklahomans living in low income housing.

FY08 Accomplishments

OSU Wellness Center – OSU Campus

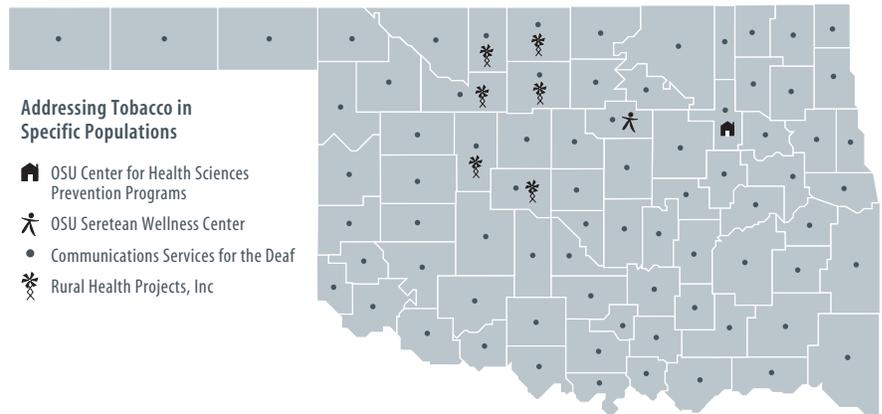
- Created a continuing tobacco education model for incoming Freshmen, (the most vulnerable population for tobacco use) and participated in orientation offering information on cessation resources.
- During FY08, 100 percent of students that came to the University Health Service were screened for tobacco use, 14 percent were identified as tobacco users.
- OSU continues to implement a tobacco free campus policy.

Tulsa Tobacco Free Zone

- Oklahoma Tobacco Helpline awareness rose by more than 50 percent.

Communication Services for the Deaf

- Tulsa Public School’s Edison Junior High and High School, Moore’s Westmore High School agrees to provide educational intervention on tobacco using the deaf-friendly “Hands Off Tobacco” curriculum.



- In order to better facilitate the communication between providers and deaf clients, training to interpreters for the deaf was provided. This training also increased interpreters knowledge in tobacco terminology to facilitate discussions during social gatherings.
- Provided deaf cultural competency training for the Oklahoma Tobacco Helpline vendor (Free and Clear)

trainers, who serve many states in addition to Oklahoma.

Rural Health Projects – Spit It Out

- Organized the *4th National Summit on Smokeless & Spit Tobacco* in Oklahoma City bringing many national speakers and more than 400 registrants to Oklahoma.
- Passed 24/7 Tobacco-Free policy at Drummond Public Schools.

OSU cleans up tobacco litter after campus goes tobacco-free.



COMMUNITIES OF EXCELLENCE IN TOBACCO CONTROL

Community-based programs are a key component of any effective comprehensive tobacco control effort. The TSET Board of Directors in FY08 renewed the *Communities of Excellence* program grant awards. The original *Communities of Excellence* (CX I) grantees include 16 urban and rural coalitions serving 25 counties and three tribal nations completed a fourth grant year. A new wave of seven grantee coalitions (CX II) covering 12 counties completed their first grant year.

Communities of Excellence coalitions are as varied as the communities they serve and include representation from coalitions such as Turning Point, substance abuse prevention, tobacco control, child abuse prevention, and community health and wellness.

Grantee and Coalition Goals

- prevent youth tobacco use
- promote cessation among youth and adults

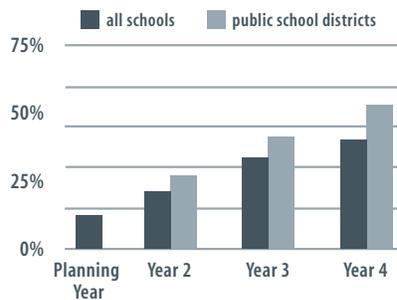
- reduce exposure to secondhand smoke
- eliminate disparities in tobacco use among populations

FY08 CX I Accomplishments

- 28.6 percent increase in the number of local Clean Indoor Air Ordinances passed (35 in FY07 to 45 in FY08)
- 23.8 percent increase in the number of youth access ordinances in local communities (42 in FY07 to 52 in FY08)

The number of 24/7 Tobacco Free Schools policies passed represents a nearly 24 percent increase in the total number of policies (106 in FY07 to 131 in FY08).

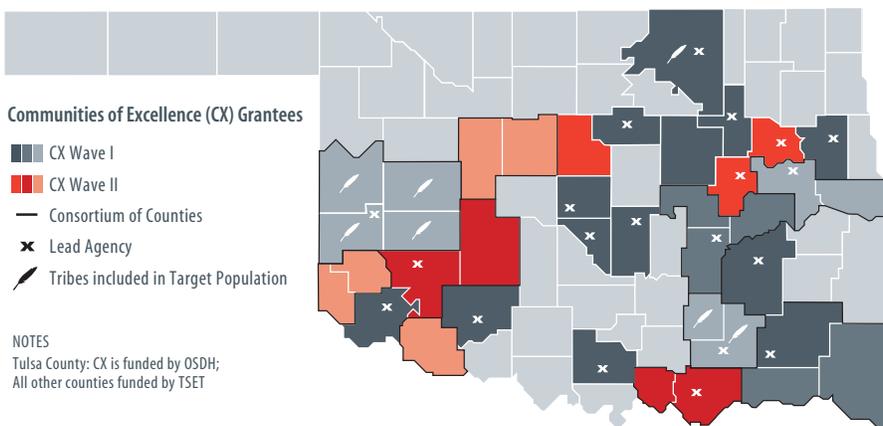
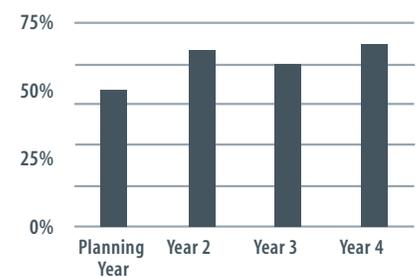
24/7 Tobacco Free Schools



- In FY08, fourteen additional businesses provided tobacco-dependence treatment coverage for their employees consistent with the US Public Health Service guidelines.

The number of SWAT (Students Working Against Tobacco) youth increased 32 percent, from 2862 to 3768. The proportion of SWAT youth participating in at least one activism event increased from 60 percent to 67.1 percent. Grantees consider SWAT youth to be vital advocates in tobacco control and prevention efforts, especially in advocating for youth access ordinances and tobacco free 24/7 school policies.

Proportion of Youth Participating in at Least One SWAT Activism Event



HIP HOP SWAT was developed by Project S.P.I.T. (Stop, Prevent, and Intervene with Tobacco use) to target youth and others that might otherwise miss out on the tobacco free message. These teams are formed with the idea of bringing the tobacco free message to a younger and ethnically diverse demographic. Through music, we are able to perform/present in venues that might otherwise be closed to us. This project is all about prevention, education, exercise and having fun.



FY08 Grantee Highlights

Heath care facilities adding tobacco-free policies:

- Atoka Memorial Hospital
- Inverness Village
- J.D. McCarty Center
- 97th Medical Squadron
- NeoHealth Center
- Tahlequah City Hospital

Sporting venues banning tobacco:

- Oklahoma County: Bricktown Ballpark
- Carter County: regional skate park and three new baseball fields
- Cleveland County: All youth sporting venues in the City of Norman

Businesses/Communities/Nations adopting smokefree or tobacco-free property policies:

- Cherokee Nation
- Osage Nation
- Citizen Potawatomi Nation

- City of Sallisaw
- Cookson Hills Community Action
- Lake Region Electric Cooperative

Special Youth Recognitions

The SWAT mission is to empower and unite youth to resist and expose big tobacco's lies while changing current attitudes about tobacco.

- Muskogee County SWAT team member, Jasmine Redo, was selected to attend the American Legacy Foundation Youth Leadership Institute. As a result of her training she helped develop and lead a statewide training on using media to counter the tobacco industry marketing.
- Lawton-Ft. Sill High School SWAT team was nationally recognized by the Campaign for Tobacco Free Kids as the National Group Advocates of the Year in 2008. The SWAT team was also honored by the state as Champions of Health in the Education and Awareness category.

- HIP HOP SWAT Team, developed by Project SPIT, premiere performance was at the 2008 National Summit on Smokeless and Spit Tobacco in Oklahoma City in March 2008. The team's performance set to a hip hop beat is about prevention, education, exercise and having FUN while being tobacco control youth activists. In addition to numerous local performances, the team was also invited to perform at the statewide Annual Turning Point Conference in December.

OKLAHOMA TOBACCO RESEARCH CENTER

The board of directors authorized funding for the Oklahoma Tobacco Research Center (OTRC) within the University of Oklahoma Cancer Institute for the first year of a five year grant in FY08. The mission of the OTRC is to reduce the burden of tobacco related health problems in Oklahoma by stimulating the generation and dissemination of knowledge and the implementation and diffusion of effective practices. The OTRC will help to assure that TSET's tobacco control programs remain among the most effective in the nation. In addition, the OTRC will leverage TSET's investment to bring additional grant funding to bear on tobacco use in Oklahoma. OTRC activities are outcomes-based, transdisciplinary and focused on evidence-based practices.

In FY08, the OTRC solicited applications for research projects with the expectation of funding two to five proposals in FY09. Submissions were reviewed by the OTRC Scientific Advisory Committee and ultimately three research projects were funded. The research projects selected were:

Genetic Risks for Lung Cancer in Oklahoma African Americans
Principal Investigator: Cecil M. Lewis, PhD, Assistant Professor, Department of Anthropology
University of Oklahoma

Tobacco Relapse Prevention: Factors for Success

Dewey C. Scheid, MD, MPH, Associate Professor, Department of Family & Preventive Medicine, University of Oklahoma Health Sciences Center

Expression profile of microRNAs in A549 cells treated with cigarette smoke and curcumin

Ramanjulu Sunkar, PhD
Assistant Professor, Department of Biochemistry and Molecular Biology, Oklahoma State University



TSET partnered with the American Legacy Foundation in the launch of the national BecomeAnEX campaign. The BecomeAnEX coffee truck, emphasizing smokers need to recognize their triggers so they will have a more successful quit, visited Oklahoma in May. The coffee truck made stops at the Capitol and various businesses around Oklahoma City and Tulsa as well as visiting the OU/OSU Bedlam Baseball Tournament in Tulsa.

PUBLIC EDUCATION HEALTH COMMUNICATIONS

According to US Centers for Disease Control and Prevention (CDC) Best Practices for Comprehensive Tobacco Control Programs, counter-marketing campaigns are among the most powerful tools for preventing smoking initiation, promoting and facilitating cessation, and changing social norms related to tobacco use. Effective messages that are targeted appropriately can also stimulate a supportive climate for community efforts.

For the past five years, TSET has partnered with the American Legacy Foundation and Oklahoma State Department of Health (OSDH) to provide public education media campaigns. Through the American Legacy Foundation youth ages 12-17 across the state were exposed to a “heavy” dose of the truth[®] campaign. truth[®] has been shown to effectively reduce youth smoking by countering the tobacco industry’s marketing tactics and pro-tobacco influences on our vulnerable youth.

CONFERENCE SPONSORSHIPS

The board of directors in FY08 approved the process of providing conference or training event sponsorships to educate and build capacity among Oklahomans for the purpose of improving the health of every Oklahoman.

The partnership was enhanced in March 2008 with the launch of the BecomeAnEX[®] campaign. EX[®] is a comprehensive national campaign that provides free Web-based resources designed to help smokers create their own plan to quit smoking at www.BecomeAnEX.org. In addition to the national promotion of the EX[®] campaign to “relearn life without cigarettes,” TSET placed additional EX[®] television advertisements statewide that included contact information for the Oklahoma Tobacco Helpline. TSET community grantees placed EX radio ads in local markets boosting statewide awareness and coverage.

In January 2008, TSET and the OSDH launched “Tobacco Stops With Me” campaign, the first campaign designed specifically for Oklahoma and created with input from research and focus groups around the state. The “Tobacco Stops With Me” highlights how

UNSOLICITED PROPOSALS

In FY08, the board of directors developed a process to identify and respond to emerging opportunities to improve the health of Oklahomans through Unsolicited Proposals. TSET accepts unsolicited proposals for a limited time each year. Through



My brother didn't choose to miss our sister's wedding, his son's first soccer goal, or his 20th wedding anniversary. But 24 years ago, he did choose a habit.

TOBACCO STOPS WITH ME.

→ STOPSWITHME.COM

tobacco use impacts us as individuals, how it influences our relationships, and how each Oklahoman has a role to play in the movement to reduce the burden of tobacco use in our state. The campaign includes television, radio, print and outdoor ads as well as an interactive Web site, www.StopsWithMe.com.

this process, TSET intends to provide matching funds of up to 50 percent as needed to assist an organization in obtaining funding from the federal government, private foundations, or other similar collaborative funding partners.



*My little sister imitates everything I say, do and wear.
So I'll never smoke. Besides the obvious, it's deadly
and disgusting - I know if
I don't smoke, she won't. That's the only reason I need.*

TOBACCO STOPS WITH ME.

 STOPSWITHME.COM

LOOKING AHEAD.

building momentum for health

In Fiscal Year 2008, the board of directors and staff engaged in a strategic planning process to identify program priorities for the future. The process included a review of Oklahoma's health status indicators, research on effective programs and strategies, expert recommendations, and a survey of key stakeholders which included elected officials, community leaders, private foundations, and public, private, and voluntary agencies and associations. As a result, the strategic plan was updated to focus on three priority areas — tobacco control, fitness and nutrition, and emerging opportunities.

Fiscal Year 2009 will be a year of new and renewed activity for TSET. Through the strategic efforts of the board of investors, the certified earnings from FY08 investments topped \$15 million. These earnings will allow the board of directors to expand effective tobacco control programs in FY09, and begin to address other important programs to improve the health of Oklahomans.

In 2009, Oklahoma's first tobacco control media campaign, "Tobacco Stops With Me," will enter its second phase, with an emphasis on the impact of secondhand smoke. The *Communities of Excellence in Tobacco Control* and the *Addressing Tobacco in Specific Populations* grant programs will continue their efforts to reduce tobacco in local communities and among high risk populations throughout Oklahoma. The

Oklahoma Tobacco Helpline will expand services to more Oklahomans with a desire to quit tobacco use, and continue a randomized controlled clinical trial to address weight concerns related to smoking cessation.

In addition, three new grants with the Oklahoma Hospital Association, Oklahoma Insurance Department, and Oklahoma Department of Mental Health and Substance Abuse Services, will begin to promote effective tobacco dependence treatments through health care professionals, insurers and businesses, and health systems.

TSET will also continue to accept and fund unsolicited proposals to address emerging opportunities to improve the health of Oklahomans, through any of the purposes allowed in the state's Constitution.

In 2000, the voters of Oklahoma overwhelmingly supported the creation of the *Tobacco Settlement Endowment Trust* to improve the health and quality of life of all Oklahomans for generations to come. During these difficult economic times, it is more important than ever that we focus on the mission the voters supported by implementing strategies that will effectively produce dramatic reductions in our state's excessive rates of cardiovascular disease and cancer, and their leading causes — tobacco use, physical inactivity, and poor nutrition.



I've always heard the apple doesn't fall far from the tree.
If that were true, I'd start smoking or dipping just like most of my family.
But I'm not afraid to break tradition — especially a deadly one.

TOBACCO STOPS WITH ME.

> STOPSWITHME.COM

TRUST GROWTH.

investing in health

Fiscal Year 2008 was a record year for earnings on the investment of the Oklahoma Tobacco Settlement Endowment Trust Fund. In August, the board of investors certified more than \$15.5 million in earnings for Fiscal Year 2008.

These earnings reflect growth of 50 percent over the previous year and more than 125 percent over two years.

With 75 percent of Oklahoma's share of the national Master Settlement Agreement deposited for investment each year, the endowment is truly a strong, permanent source of funding to improve the health and lives of Oklahomans.

We are seeing these strong earnings due to two changes we made in investment strategy a few years ago. First, we made investment changes to generate more cash and ensure the value of the fund will grow faster than the inflation rate over the long term. Also, we renegotiated contracts to cut our fees by some 40 percent.

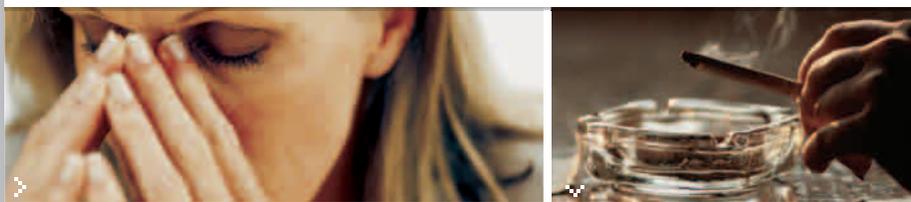
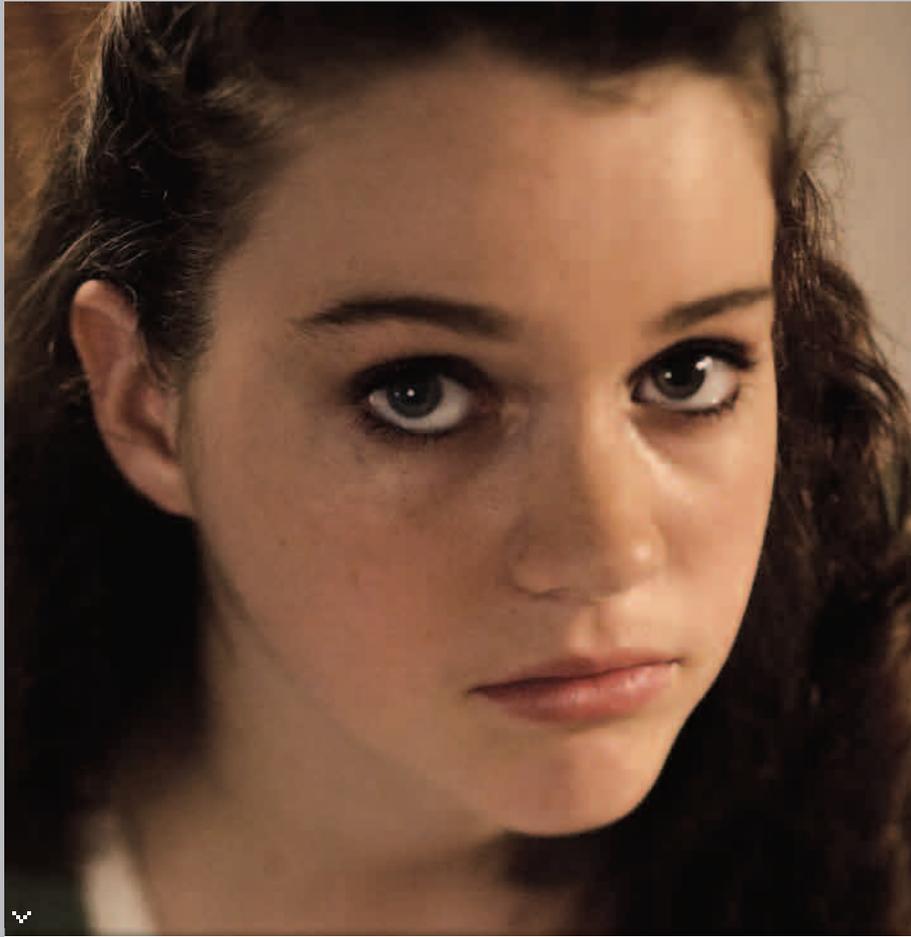
As we move into the next fiscal year, faced with an international financial crisis, please know that the money in the endowment trust is wisely invested to minimize losses and ensure a continuing source of revenue now and for years to come.

Cooperation between the two constitutionally-created boards is strong and I look forward to continued success in the years to come.

Sincerely,



Scott Meacham, Oklahoma State Treasurer
Chair, Oklahoma Tobacco Settlement Board of Investors



People say I look like my mom. Because she smokes,
I also smell like her. I cough like her.

And yesterday in gym class I started wheezing ... just like her.

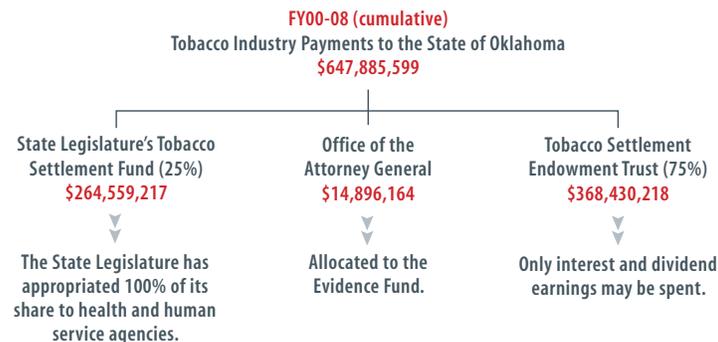
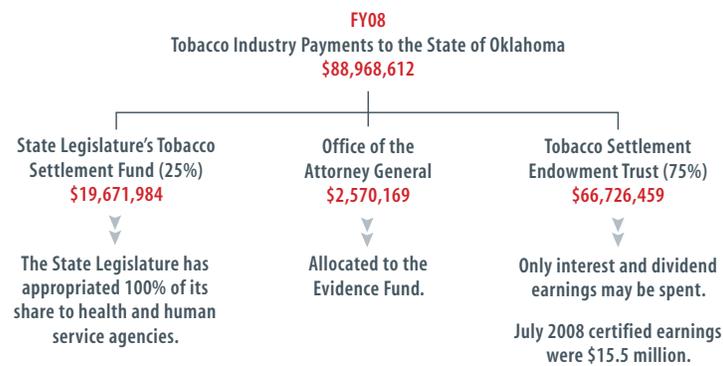
TOBACCO STOPS WITH ME.

 STOPSWITHME.COM

MSA PAYMENTS.

to the State of Oklahoma

Payments from the Master Settlement Agreement (MSA) to the State of Oklahoma began in FY2000. Tobacco settlement payments to the state are divided between the Endowment, the State Legislature, and the Office of the Attorney General. TSET's share of the MSA payments has increased from 50 percent in FY02 to 75 percent in FY07. In the future, TSET's share of the MSA payments will remain at 75 percent.



As tobacco use declines *nationally*, MSA payments to all states will be reduced. If Oklahoma does not keep pace with the rest of the nation in reducing tobacco use, the state will bear the burden of high health care costs due to tobacco-caused diseases *as well as* the declining settlement payments.

BOARD OF DIRECTORS

The seven-member board of directors is responsible for directing the earnings from the Endowment trust to fund programs to improve the health and well-being of all Oklahomans.

Initial appointed members served staggered terms of office, and subsequent appointed members serve seven-year terms. As specified in the Constitution, at least one appointee must be appointed from each Congressional district, and not more than two appointees may be appointed from any single Congressional district.

In addition, not more than four appointees may be from any one political party. All appointees must have demonstrated expertise in public or private health care or programs related to or for the benefit of children or senior adults.

Full biographies on the TSET board of directors can be found at www.tset.ok.gov.



Kenneth D. Rowe
Appointed by the Senate President Pro Tempore
Chair



Don Cooper, MD
Appointed by the Governor
Vice Chair
Chair, Evaluation Committee



George E. Foster, OD
Appointed by the Speaker of the House
Member, Programs Committee



Casey Killblane
Appointed by the State Superintendent of Public Instruction
Chair, Agency Operations Committee



W. R. "Bill" Lissau
Appointed by the State Treasurer
Member, Evaluation Committee



Robert McCaffree, MD
Appointed by the Attorney General
Member, Agency Operations Committee
Founding Board Chair



Susan Walters Bizé
Appointed by the State Auditor & Inspector
Chair, Programs Committee
Past Board Chair

BOARD OF INVESTORS

The five-member board of investors is responsible for safely and effectively investing the money entrusted to the trust fund to ensure a steady and growing flow of earnings to fund the programs initiated by the board of directors.

Initial appointed members served staggered terms of office, and subsequent appointed members serve four-year terms.

As specified in the Constitution, no more than two appointees may be appointed from any single Congressional district. All appointees must have demonstrated expertise in public or private investment funds management. The constitutional amendment approved by Oklahoma voters establishes the State Treasurer as the chair of the board of investors.

Full biographies on the TSET board of investors can be found at www.tset.ok.gov.



The Honorable Scott Meacham
State Treasurer
Chair



David Rainbolt
Appointed by the Speaker of the House
Vice Chair



David Hinkle
Appointed by the State Auditor & Inspector



Mike Mayhall, CPA
Appointed by the Governor
(Service began November 2007)



Phil Tholen, CPA
Appointed by the Senate President Pro Tempore



Jimmy Williams, CPA
Appointed by the Governor
(Served through November 2007)

GRANTS • FY08

Communities of Excellence • Wave 1

FY05 Award • Five-Year Grants

Atoka County Health Department (Atoka) \$154,000

Coalition: Atoka/Coal Partnership for Change; serving Atoka and Coal Counties and the Choctaw Nation of Oklahoma.

Bill Willis Community Mental Health Center (Tahlequah) \$167,890

Coalition: Community Health Coalition of Cherokee County; serving Cherokee County.

City of Elk City (Elk City) \$146,952

Coalition: Western Oklahoma Coalition for Community Strengthening; serving Beckham, Roger Mills, Washita, and Custer Counties, and the Cheyenne-Arapaho Tribe.

Comanche County Memorial Hospital (Lawton) \$200,000

Coalition: Southwest Tobacco Free Oklahoma Coalition; serving Comanche County.

Community Children's Shelter & Family Service Center, Inc (Ardmore) \$153,000

Coalition: Carter County Turning Point; serving Carter County.

Gateway to Prevention and Recovery (Shawnee) \$125,000

Coalition: Shawnee Asset Building Alliance; serving Pottawatomie County.

John Crow IV Foundation (Dustin) \$184,303

Coalition: Rural Community Substance Abuse Prevention Coalition; serving Hughes, McIntosh, and Okfuskee Counties.

Muskogee County Health Department (Muskogee) \$284,000

Coalition: Muskogee Turning Point; serving Muskogee and Sequoyah Counties.

Norman Regional Health Systems (Norman) \$244,393

Coalition: Cleveland County Turning Point; serving Cleveland County.

Oklahoma City-County Health Department (Oklahoma City) \$255,075
Coalition: Oklahoma County Tobacco Use Prevention Coalition; serving Oklahoma County.

Osage Tribe of Indians (Pawhuska) \$179,838

Coalition: Osage County Community Partnership Board; Serving Osage County and Osage Tribe of Indians.

OSU, Seretean Wellness Center (Stillwater) \$180,000

Coalition: Payne County Breathe Easy Coalition; serving Payne County.

Pittsburg County Health Department (McAlester) \$153,855

Coalition: SouthEast Tobacco-Free Oklahoma Coalition; serving Pittsburg County.

Pushmataha County Health Department (Antlers) \$218,302

Coalition: Pushmataha County Turning Point Coalition and Choctaw County Coalition for Change; serving Pushmataha, Choctaw, and McCurtain Counties.

Southwest OK Community Action Group, Inc (Altus) \$147,250

Coalition: Jackson County Community Health Action Team; serving Jackson County.

OSU, Seretean Wellness Center (Supulpa) \$178,500

Coalition: Child Abuse Prevention Task Force District XI, Creek County Chapter; serving Creek County.

Communities of Excellence • Wave 2

FY08 Award • Five-Year Grants

Bryan County Health Department (Durant) \$75,000

Coalition: U Turn Consortium; serving Bryan and Marshal Counties.

Great Plains Youth and Family Services (Hobart) \$75,000

Coalition: Caddo Kiowa Consortium; serving Caddo and Kiowa Counties.

Kingfisher County Health Department (Kingfisher) \$75,000

Coalition: Blaine-Kingfisher Tobacco Education Consortium; serving Blaine and Kingfisher Counties.

Langston University (Guthrie) \$75,000

Coalition: Logan County Sooner SUCCESS; serving Logan County.

Southwest Oklahoma Community Action Group, Inc. (Altus) \$75,000
Coalition: Red River Tobacco Education Consortium; serving Greer, Harmon and Tillman Counties.

OSU, Seretean Wellness Center (Morris) \$75,000

Coalition: Okmulgee County Wellness Coalition; serving Okmulgee County.

Wagoner County Health Department (Wagoner) \$75,000

Coalition: Wagoner County Family Resource Council; serving Wagoner County.

Addressing Tobacco in Specific Populations

FY07 Award · Five-Year Grants

Communication Services for the Deaf, Inc (Tulsa) \$100,000
Serving the deaf and hard of hearing, statewide.

Oklahoma State University, Center for Health Sciences Prevention Programs (Tulsa) \$100,000
Serving the low socioeconomic status population in Tulsa, Creek, and Payne Counties.

Oklahoma State University, Seretean Wellness Center (Stillwater) \$100,000
Serving the university student population in Stillwater and its branch campuses.

Rural Health Projects, Inc, Northwest AHEC (Enid) \$99,073
Serving to prevent smokeless tobacco use among youth in Alfalfa, Blaine, Garfield, Grant, Kingfisher, and Major Counties.

Public Education Health Communications

Oklahoma State Department of Health (Oklahoma City) \$3,000,000
Through subcontractor Brothers & Co, Tulsa, OK, the OSDH coordinates public health communications to achieve the goals of the Oklahoma Tobacco Control Program.

Oklahoma Tobacco Helpline Program

Free & Clear, Inc (Seattle, WA) \$4,040,000
Provides a telephone-based tobacco cessation service at no-charge to all Oklahomans who are ready to quit tobacco use. Also provides consultation to Oklahoma health care professionals regarding effective tobacco dependence treatment. TSET funds to Free & Clear, Inc, \$2,745,000, through June 30, 2008. Oklahoma State Department of Health funds to Free & Clear, Inc, \$1,295,000, through June 30, 2008.

National Alliance for Tobacco Cessation

American Legacy Foundation, Washington, D.C. \$84,500
Membership in the National Alliance for Tobacco Cessation to help fund the "Become An Ex" tobacco cessation media campaign and web-based smoking cessation program.

Research

FY07 Award · Five-Year Grant

Oklahoma Tobacco Research Center (OTRC) \$300,000
The OTRC was established within the OU Cancer Institute, with the purpose of extending the impact of TSET's tobacco control initiatives and leveraging TSET's investments to bring additional funding dollars from the NCI, CDC, and other sources to bear on tobacco use in Oklahoma.

Program Evaluation

Board of Regents of the University of Oklahoma, Health Sciences Center (Oklahoma City) \$721,647
Evaluates the effectiveness of the Oklahoma Tobacco Helpline, Community-based Tobacco Control grants, and Public Health Communication Interventions.

Program Support, Training and Technical Assistance

Oklahoma State Department of Health (Oklahoma City) \$436,959
Provides technical assistance and training to TSET-funded grantees related to tobacco control. OSDH facilitates grantee progress toward outcomes and leverages additional services which are provided in-kind by staff funded by the CDC.

TSET STAFF

As we hope this annual report conveys, we at the Oklahoma Tobacco Settlement Endowment Trust are committed to a healthier Oklahoma. We are also committed to identifying the best opportunities to fulfill our mission through partnerships that support our grantmaking values and behaviors.

A meaningful exchange of information is often the first step

toward real change, so we invite your inquiries, questions, and suggestions at any time.

We look forward to working with our current and future partners in preventing and reducing tobacco use and addiction, promoting fitness and nutrition, and addressing emerging opportunities that will promote a healthy and prosperous Oklahoma.



From Left:

Sjonna Paulson, APR
Director of Communications

Jonás Mata, MSW
Director of Grants & Programs

Tracey Strader, MSW
Executive Director

Sharon Neal
Program Officer

Dorothy Antwine
Office Manager

Carol Hernandez
Administrative Assistant



**Oklahoma Tobacco Settlement
Endowment Trust**

3700 N Classen Blvd, STE 215
Oklahoma City, OK 73118

(405) 525-TSET (8738)
866-530-TSET (8738)
Fax (405) 525-6104

webmaster@tset.ok.gov
www.tset.ok.gov